

# **JEFFERSON, URIAN, DOANE & STERNER, P.A.**

## **WOODBRIIDGE SCHOOL DISTRICT**

### **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

**JUNE 30, 2008**

**FIELDWORK END DATE: SEPTEMBER 23, 2008**

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## Independent Accountant's Report on Applying Agreed-Upon Procedures

Dr. Kevin E. Carson  
Superintendent  
Woodbridge School District  
16359 Sussex Highway  
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The Honorable Valerie A. Woodruff  
Secretary, Department of Education  
Townsend Building, Suite 2  
401 Federal Street  
Dover, Delaware 19901

We have performed the procedures enumerated below, which were agreed to by Woodbridge School District; the Office of Auditor of Accounts; and the State of Delaware Department of Education, solely to assist the specified parties in evaluating the School District's compliance with criteria from the State of Delaware Capital Asset Policy Manual, the State of Delaware Department of Education School Construction Technical Assistance Manual, the Delaware Code, and the State of Delaware Budget and Accounting Policy Manual relative to the school construction projects administered by the School District for the year ended June 30, 2008. Woodbridge School District's management is responsible for compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* (2007) issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Determine if the School District's policies and procedures for identifying, tracking, and recording capital assets are adequate.

There are no findings upon completion of Woodbridge School District's construction program and project checklists.

2. Determine whether the School District's construction project records and files (current and prior fiscal years) are accurate.

There are no findings upon completion of Woodbridge School District's construction program and project checklists.

3. Determine if expenditures are accurately stated and are made in accordance with the State Capital Asset Policy Manual and the intent of the project scope mandated by the General Assembly, the Department of Education, and the Local Board of Education.

There are no findings upon completion of Woodbridge School District's construction program and project checklists.

4. Determine whether the School District's construction project records and files include only active construction projects as of June 30, 2008. Ensure that completed projects have been appropriately closed out of construction and added to the State Fixed Asset system.

During completion of Woodbridge School District's construction program and project checklists, our procedures resulted in finding(s), see *Appendix A*.

5. Prepare the School District's Schedule of Construction Projects for Fiscal Year 2008.

See *Appendix C*.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Woodbridge School District management and Board Members, the Office of Auditor of Accounts, and the State of Delaware Department of Education, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, Office of the Controller General, Office of the Attorney General, Office of Management and Budget, Department of Finance, the State Treasurer's Office, and the Office of Auditor of Accounts.

*Jefferson, Urian, Doane & Sterner, P.A.*

Georgetown, Delaware  
September 23, 2008

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# SCHEDULE OF FINDINGS & RECOMMENDATIONS

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APPENDIX A

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***Procedure Agreed Upon #4***

***Finding 08-01:***

During completion of Woodbridge School District's program and project checklists, it was noted that School District personnel inadvertently included in the balance for "Improvements to Athletic Fields" costs for the "Pole Shed Concession" asset totaling \$ 39,520 that was separately capitalized. State of Delaware Capital Asset Policy Manual Section II.B.3. require all State organizations to timely, accurately, and completely process and record transactions relating to capital assets. This was an oversight by School District personnel. Improper recording of capital expenditures could result in fraud, errors, and irregularities.

***Recommendation:***

Woodbridge School District should properly monitor and review the reporting of capital assets to ensure compliance with State of Delaware Capital Asset Manual guidelines.

***School District's Response:***

*"The District is in agreement with the recommendation."*

# SCHEDULE OF PRIOR YEAR FINDINGS

APPENDIX B

The following schedule summarized the prior year findings and the status of the prior year findings.

Prior Year Finding	Recommendation	Status of Prior Year Finding
06-03 - During completion of Woodbridge School District's construction program and project checklist for Troop 5 renovations, it was noted that the School District had not obtained the deed to the building from the Delaware State Police (the former owner). School District personnel have made multiple attempts to obtain the deed for over a year; however, the situation is still unresolved. Woodbridge School District does not have legal ownership of the building until the transfer takes place.	Woodbridge School District should continue their efforts to expedite the title transfer of the deed from the Delaware State Police for the Troop 5 building.	Partially implemented.  <b>School District's response 06/30/08:</b>  <i>"The District has been working with Real Property Administrator Facilities Management State of Delaware since 2004 regarding the transfer of the property. Documentation is on file showing correspondence and meetings with the State of Delaware from as early as November 2005. The District met every request from them in a timely fashion. The District would gladly continue any effort that would help expedite the title transfer of the deed from the State of Delaware."</i>
06-05 - During completion of Woodbridge School District's construction program and project checklist for the renovated field project, it was noted that expenditures exceeded appropriations, which is in violation of 29 Del. C., §6519 and Budget and Accounting Policy Manual, VI.B.1(c). The	Woodbridge School District should reimburse appropriation 7513 \$ 499 for the excess expenditures. The School District should also correct the Cumulative YTD Statement of Budgetary Activity and Account Balances to reflect the revised Certificate of Necessity for appropriation 7513.	Implemented. The District received a waiver from Department of Education in fiscal year 2008. This finding does not require further corrective action by Woodbridge School District.

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# SCHEDULE OF PRIOR YEAR FINDINGS

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APPENDIX B

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Prior Year Finding	Recommendation	Status of Prior Year Finding
06-05 - original project appropriation for Renovation Fields was \$ 785,000. On December 22, 2005, a revised Certificate of Necessity was issued leaving \$ 323,500 for appropriation 7513. The project's expenditures totaled \$ 323,999 as of June 30, 2006, for an excess of expenditures over appropriations of \$ 499. School District personnel made a judgment error when calculating the excess funds available for transfer from the project and did not detect the over-expenditure because the revised appropriation was not reflected on the Cumulative YTD Statement of Budget Activity and Account Balances for the year ended June 30, 2006.		
07-01 - During completion of Woodbridge School District's construction program and project checklist for Troop 5 renovations, it was noted that the School District failed to timely submit a copy of the electronic AutoCAD file to the Department of Education within thirty (30) calendar days after completion of the renovations as required by the School Construction Technical Assistance Manual Section 2.0, Paragraph 5.4. This was an oversight by	Woodbridge School District should adhere to policies and procedures already established for managing capital projects to ensure that the School District complies with State of Delaware guidelines.	Implemented.

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# SCHEDULE OF PRIOR YEAR FINDINGS

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APPENDIX B

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Prior Year Finding	Recommendation	Status of Prior Year Finding
07-01 - School District personnel. Noncompliance with State of Delaware provisions, including School Construction Technical Assistance Manual, could potentially cause a delay in receiving future State funding.		
07-02 - During completion of Woodbridge School District's construction program and project checklist for Troop 5 renovations, it was noted that the School District failed to timely submit archival-quality copies of the architectural and engineering drawings with Delaware Public Archives in accordance with 29 Del. Code §507(b). Drawings are required to be submitted prior to Office of Management and Budget approval of final payment for any construction project. This was an oversight by the School District personnel. Noncompliance with State of Delaware provisions, including Delaware Code, could potentially cause a delay in receiving future State funding.	Woodbridge School District should adhere to policies and procedures already established for managing capital projects to ensure that the School District complies with State of Delaware guidelines.	Implemented.



# SCHEDULE OF PRIOR YEAR FINDINGS

APPENDIX B

Prior Year Finding	Recommendation	Status of Prior Year Finding
07-03 - During completion of Woodbridge School District's construction program and project checklist, it was noted that a payment voucher for A&B Electrical, Inc. was erroneously overpaid by \$ 505. State of Delaware <i>Budget and Accounting Policy Manual</i> Chapter VII.C.2 requires a payment voucher to agree to the vendor's invoice. This was an oversight by School District personnel; however, the payment was corrected in fiscal year 2008. Inadequate monitoring and reviewing of purchase orders and payment vouchers could result in fraud, errors and irregularities.	Woodbridge School District should follow procedures already established to ensure that payments to vendors are properly monitored and reviewed to avoid errors.	Implemented.
07-04 - During completion of Woodbridge School District's construction program and project checklist, it was noted that expenditures totaling \$ 343,890 relating to appropriation 7512 for the New Fields project were inappropriately coded to appropriation 7513 for Renovated Fields project. There were insufficient funds in appropriation 7513 for those expenditures, because \$ 461,500 should have been, but was not transferred from appropriation 7513 to 7512 in the	Woodbridge School District should transfer \$ 461,500 from appropriation 7513 to 7512 to reflect the revised Certificate of Necessity No. 0535 A-C, as cited in the prior year Finding 06-05. The School District should also correct the payment vouchers that were miscoded to appropriation 7513 totaling \$ 343,890.	Implemented. The District received a waiver from Department of Education in fiscal year 2008. This finding does not require further corrective action by Woodbridge School District.

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# SCHEDULE OF PRIOR YEAR FINDINGS

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APPENDIX B

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Prior Year Finding	Recommendation	Status of Prior Year Finding
07-04 - Statement of Budgetary Activity and Account Balances to reflect the revised Certificate of Necessity No. 0535 A-C, dated December 22, 2005. The New Fields project expenditures are now understated by \$ 343,890 and the Renovated Fields project expenditures are overstated by that same amount.		

**Status Key:**

Implemented

The concern has been addressed by implementing the original or an alternate corrective action.

Not Implemented

The corrective action has not been initiated

Partially Implemented

The corrective action has been initiated but is not complete and the auditor has reason to believe management fully intends to address the concern.

# SCHEDULE OF CONSTRUCTION PROJECTS

APPENDIX C

Project Name	Fiscal Year	Original Funding Amount	De-auth Funding Amount	Total Project Funding to Date	Expended Current FY	Expended Prior FY's	Total Project Expended to Date	Total Unspent as of 06/30/08
New Fields	2005	\$ 2,958,000	\$ (250,000)	\$ 2,708,000	\$ 84,181	\$ 2,623,819	\$ 2,708,000	\$ -
Renovated Fields	2005	785,000	-	785,000	117,111	667,889	785,000	-
Renovated Troop 5	2005	338,000	250,000	588,000	-	588,000	588,000	-
<b>Totals</b>		\$ 4,081,000	\$ -	\$ 4,081,000	\$ 201,292	\$ 3,879,708	\$ 4,081,000	\$ -

Note 1 - The schedule above does not reflect the approved transfer of funds of \$ 461,500 from the Renovated Fields project to the New Fields project as discussed in prior year Finding 06-05 and 07-04. The funds transfer was not recorded on the School District's Cumulative YTD Statement of Budgetary Activity and Account Balances as of June 30, 2008. However, Finding 06-05 and 07-04 has been resolved as noted in Schedule of Prior Year Findings, Appendix B.

Note 2 - The total project expended to date for the Renovated Fields project includes the miscoded costs of \$ 343,890 that were incurred for the New Fields project, as cited in prior year Finding 07-04. The miscoded costs were not included in the New Fields project expended to date. Prior year Finding 07-04 has been resolved as noted in Schedule of Prior Year Findings, Appendix B.

Note 3 - The current year expenditures totaling \$ 117,111 for Renovated Fields project are miscoded costs for the New Fields project. Total project expended to date for New Fields and Renovated Fields would be \$ 3,169,001 and \$ 323,999, respectfully, if the project costs had not been miscoded. There was no further action required by Woodbridge School District to correct the miscoding, as noted in the Schedule of Prior Year Findings, Appendix B.

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# DISTRIBUTION OF REPORT

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Copies of Woodbridge School District's Agreed-upon Procedures Attestation Engagement will be distributed by the Office of the Auditor of Accounts to the following public officials:

Executive Branch

The Honorable Ruth Ann Minner, Governor, State of Delaware  
The Honorable Richard S. Cordrey, Secretary, Department of Finance  
Mr. Michael S. Jackson, Acting Director, Office of Management and Budget  
The Honorable Valerie A. Woodruff, Secretary, Department of Education  
Ms. Trisha Neely, Director, Division of Accounting  
Mr. R. Thomas Wagner, State Auditor, Office of the Auditor of Accounts

Legislative Branch

The Honorable Russell T. Larson, Controller General, Office of Controller General

Other Elective Offices

The Honorable Joseph Biden, III, Attorney General, Office of the Attorney General  
The Honorable Jack Markell, Treasurer, State Treasurer's Office

Other

Ms. Dorcell S. Spence, Associate Secretary - Finance and Administrative Services Branch, Department of Education  
Dr. Kevin E. Carson, Superintendent, Woodbridge School District